



For Immediate Release

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Senator Gregg: CBO Confirms that Reid Health Care Bill Uses Medicare Budget Gimmick to Short-Change Seniors and Stick Our Children with the Bill

Senator Judd Gregg, ranking member of the Senate Budget Committee, today cited a December 23 letter from the Congressional Budget Office (CBO) as more proof that the Democratic majority is using blatant budget gimmickry to ram through a \$2.3 trillion dollar health care bill by falsely claiming that it both saves Medicare and is deficit neutral.

“Two weeks ago, I offered an amendment that would have ensured that any Medicare savings achieved under the Democratic health care bill would go toward shoring up the Medicare program itself, since it currently has a \$38 trillion unfunded liability and is on track to begin breaking down in 2017. That amendment was defeated, with America’s seniors on the losing end of the deal. Today we got confirmation from CBO that supporters of Majority Leader Reid’s latest version of the bill use double-counting accounting that allows them to spend Medicare savings to create a brand new entitlement. Through blatant budget gimmickry, they will take money that seniors have paid into Medicare and use it to pay for this new health care entitlement, while also claiming the money is being used to extend the life of the Medicare program. You can’t have it both ways, so it’s clear that our seniors have been had and our children will be stuck with the bill.”

The CBO letter states:

“The key point is that the savings to the HI trust fund under the PPACA would be received by the government only once, so they cannot be set aside to pay for future Medicare spending and, at the same time, pay for current spending on other parts of the legislation or on other programs...To describe the full amount of HI trust fund savings as both improving the government’s ability to pay future Medicare benefits and financing new spending outside of Medicare would essentially double-count a large share of those savings and thus overstate the improvement in the government’s fiscal position.”

Full letter: http://www.cbo.gov/ftpdocs/108xx/doc10868/12-23-Trust_Fund_Accounting.pdf

Background information on the Gregg amendment:

<http://gregg.senate.gov/news/press/release/?id=d2a40e3b-ab33-41cb-a1d1-7e02d8ad9c53>